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Bluejay Mining plc / EPIC: JAY / Market: AIM / Sector: Mining  
14 April 2020

## **Bluejay Mining plc ('Bluejay' or the 'Company')**

### **Operational Update**

#### **Memorandum of Understanding at Dundas targeting up to 200kt ilmenite, cost saving initiatives and licence requirement waivers**

Bluejay Mining plc, the AIM and FSE listed company with projects in Greenland and Finland, is pleased to provide a detailed strategic and operational update following its response to COVID-19 as set out in the RNS of 27 March 2020.

#### **OVERVIEW**

##### **Dundas Project Update: Memorandum of understanding signed**

- o Memorandum of understanding signed with a multinational commodity trading firm and major ilmenite market participant targeting 200ktpa of ilmenite as part of ongoing commercial discussions
- o First bulk sample heavy minerals concentrate ('HMC') batch has been produced at Bluejay's pilot plant in Contrecoeur for Rio Tinto Iron and Titanium ('RTIT')
- o Pilot plant commenced operation in February 2020 and had been running at full capacity for several weeks until COVID-19 outbreak; plant now on care and maintenance in line with Quebec government guidance that all non-essential businesses should close
- o RTIT advised that they will delay smelter test until 2021
- o Exploitation Licence: discussions ongoing with the Greenlandic authorities regarding alternatives ways of conducting the Public Consultation process in light of

## COVID-19 and the imposed restrictions

- **Cost saving programme successfully implemented and licence requirement waivers received in response to the global COVID-19 pandemic; new budget demonstrates up to four years of working capital if required**
  - o Corporate overheads significantly reduced and deferred where possible
  - o 30% reduction in all staff pay, including directors, until September
  - o Licence waivers received on Exploration Licence commitments from the Mineral Licence and Safety Authority, Greenland ('MLSA'), which further reduce corporate overheads further
  - o Maiden drilling and advanced exploration campaign at Disko-Nuussuaq and Kangerluarsuk Zn-Pb-Ag scheduled for summer 2020 postponed due to logistical impact from COVID-19

### **Roderick McIlree, CEO of Bluejay Mining Plc said:**

*"The Company continues to work tirelessly to advance all our projects. Since our last update at Dundas, we have signed a conditional agreement with a major international ilmenite participant to place nearly half of our planned production, which also includes the prospect of project finance. We are hopeful that this preliminary agreement concludes successfully and is followed with orders for additional ilmenite demand from our other ongoing negotiations. We also constructed a pilot plant in Contrecoeur, Quebec and commenced processing high grade material, which was shipped to this pilot plant in Canada during 2019. However, the pilot plant has now been placed on care and maintenance until a resumption of global activities due to COVID-19 restrictions.*

*"Regarding our Agreement with Rio Tinto Iron & Titanium (RTIT), Bluejay have been advised of RTIT's intention to delay the agreed smelter trial until 2021. Bluejay Mining's pilot plant located in Contrecoeur commenced operation in February and had been running at full capacity for several weeks. The first batch of the bulk sample made for RTIT has been stored by Bluejay at RTIT's request. The smelter test is a key part to our joint Agreement, and we look forward to progressing the joint activities and the overall assessment of the components of the Dundas*

*Ilmenite Project once things subside.*

*"We were proactive in entering dialogue with the Greenlandic authorities after the COVID-19 outbreak and they have been decisive in waiving the financial commitments on all exploration projects and are working hard with Bluejay to find a pragmatic alternative to the traditional public consultation meetings, which form part of the consultation process in order for the Company to complete its exploitation licence requirements. We hope to have a favourable update on this shortly.*

*"With no visibility at present on the timing of current restrictions being lifted it has been impossible to plan the logistical pipeline required to complete the various field programmes at Kangerluarsuk and Disko for 2020 without significant financial risk. We have therefore currently postponed these activities but continue to review in the event that the lockdown is lifted early enough for the Company to recommence operations this season. In support of this, we continue to undertake a significant amount of desktop work in order to further define our key drill targets and discover further and future value creating opportunities within Greenland. At Disko, we remain confident in finding the right major partner for this unique asset as well as progressing Kangerluarsuk independently thereby maintaining full ownership and control.*

*"Finally, I consider our position to be a robust one - the Company owns several independently recognised world-class projects and now, following the actions taken, has up to four years of working capital should it be necessary to sit this out for longer than expected.*

*"We will of course continue to provide further operational updates as soon as we are in a position to do so, but for now I would like to give my thanks to all stakeholders for their continued support, reassure you of our Company's strength and send my best wishes to all during this difficult time."*

## **DETAILS**

### **Dundas Ilmenite Project - Memorandum of understanding, RTIT and Pilot Plant Update, Exploitation Application**

- ***Memorandum of understanding signed with a multinational trading firm targeting 200ktpa ilmenite***

The Company have signed a conditional agreement to explore an up to 200ktpa ilmenite offtake with a large participant in the global titanium feedstock market. The confidential agreement requires Bluejay to supply a significant number of ilmenite

samples to the counterparty for onward transmission to their end customers. These samples will be of sizes that will not require Bluejay to facilitate its own shipping logistics in order for their delivery. We are hopeful that this can occur soon after COVID-19 "lockdown" comes to an end. The multi-national trading firm have also indicated a willingness to participate in project financing for Dundas, if feasible. There can be no guarantee that any binding offtake agreement will be entered into.

- ***Bluejay Heavy Mineral Concentrate Pilot plant and Rio Tinto Iron and Titanium Update***

Bluejay's pilot plant in Contrecoeur, Canada had been operating at full operational capacity for several weeks producing heavy mineral concentrate products (Figure 2 & 3) for RTIT and other potential offtake customers for testing and quality assessment.

Due to recent events and in line with advice from the Government of Quebec to reduce business activity to a minimum, Bluejay has suspended operations and placed the plant on care and maintenance. RTIT has also advised the Company of their decision to delay the smelter trial of Bluejay's ilmenite until 2021.

- ***Exploitation Licence Application Update***

As previously advised to the market, the Company is waiting for the commencement of the Public Consultation phase, one of the final stages in the Exploitation Licence approval process. However, the Greenland Government has implemented new guidelines that include limits on public gatherings and travel restrictions both domestically and internationally from Greenland in response to the COVID-19 pandemic. These restrictions, in combination with the recommendation for social distancing, precludes the typical format for Public Consultation whereby local and very remote communities would have the opportunity to meet in person with representatives from the Company, authorities and politicians to ask questions on the project. Therefore, Bluejay is in dialogue with the relevant authorities in Greenland in order to joint evaluate and develop alternatives under different scenarios in order for the Public Consultation to occur in as safe and pragmatic a manner as possible without significant loss of time.

**Cost saving programme undertaken due to COVID-19**

Bluejay has always been focused on the efficient use of shareholder funds as well as ensuring it maintains a high exploration to administration ratio. The Company has recently completed a Corporate Group review of all its expenditure in light of current and predicted future considerations and their implications on the business as a whole,

and has taken pre-emptive action and completed the following:

- Reduced all employee salaries by thirty percent, including directors.
- Reduced and deferred capital and operational expenditure wherever possible
- Reduced and renegotiated consultancy agreements
- Applied for a waiver on Greenland licence expenditure obligations from the Mineral Licence and Safety Authority ('MSLA') under Ministry of Mineral Resources, Government of Greenland
- Postponed maiden drilling and advanced exploration campaign at Disko and Kangerluarsuk

Bluejay now has a cost base that ensures that the Company is viable for up to four years if necessary, without the need for a capital injection, with the exception of mine construction finance for the Dundas Ilmenite Project, which would traditionally occur with a firm offtake agreement.

### **Licence expenditure obligation waivers Greenland and postponement of 2020 work at Disko-Nuussuaq Ni-Cu-Co-PGE-Au Project and at the Kangerluarsuk Zn-Pb-Ag Project**

All of the Company's Exploration Licences in Greenland have annual exploration expenditure obligations. As a consequence of the challenges brought about by the current COVID-19 virus, Bluejay is unable to secure all aspects of the necessary supply-chain in order for these obligations to be met. These requirements range from basic travel (key for Greenland access) to international equipment supply. Therefore, Bluejay engaged proactively in early dialogue when the COVID-19 situation developed with the MLSA about instruments that could support the Company and secure investments and activities in-country. One of the instruments suggested and anticipated is a waiver of the expenditure obligations for a minimum of 12 to 24 months (to be reviewed). This will preserve the capital of the Company and ensure that the appropriate exploration programmes can be completed with greater certainty at a later date.

As a consequence, and in order to safeguard shareholders, the maiden drilling campaign at the Disko- Nuussuaq Ni-Cu-Co-PGE-Au Project and Kangerluarsuk Zn-Pb-Ag Project (see RNS dated 27 January 2020), planned to test a number of combined geochemically and geophysical defined drill targets, is postponed until conditions allow.

### **Market Abuse Regulation (MAR) Disclosure**

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation

(EU) No 596/2014 until the release of this announcement.

**\*\*ENDS\*\***

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### **Notes**

Bluejay is dual listed on the London AIM market and Frankfurt Stock Exchange with projects in Greenland and Finland. Its most advanced project is the Dundas Ilmenite Project in Greenland, which is being developed towards production in the near term. The Dundas Ilmenite Project has been proven to be the highest-grade mineral sand ilmenite project globally, with a JORC Compliant Resource of 117 million tonnes at 6.1% ilmenite and a maiden offshore Exploration Target of between 300Mt and 530Mt of ilmenite at an average expected grade range of 0.4 - 4.8% ilmenite in-situ.

The Company's strategy is focused on securing an offtake partner and commencing commercial production at Dundas in the near term in order to create a company capable of self-funding exploration on current projects and future acquisitions.

Bluejay holds three additional projects in Greenland - the 2,897sq km Disko-Nuussuaq ('Disko') Magmatic Massive Sulphide nickel-copper-cobalt-platinum group element-gold project ('Ni-Cu-Co-PGE-Au'), which has shown its potential to host mineralisation similar to the world's largest nickel-copper mining district at Noril'sk-Talnakh, northern Russia; the 692sq km Kangerluarsuk zinc-lead- silver project ('Kangerluarsuk'), where historical work has recovered grades of 41% zinc, 9.3% lead and 596 g/t silver and identified four large-scale drill ready targets; and the 2,2025 sq km Thunderstone project which has the potential to host large-scale base metal, gold and uranium deposits.

The Company also has a 100% interest in a portfolio of copper, zinc and

nickel projects in Finland. This multi-commodity portfolio has been restructured to be cost-sustainable whilst determining the best plan for future development.

**Figure 1.** Map showing current mineral Exploration Licences in Central West Greenland, showing Bluejay's 2,897km<sup>2</sup> licence holdings at the Disko-Nuussuaq Ni-Cu-Co-PGE-Au and 692km<sup>2</sup> licence holdings at Kangerluarsuk Zn-Pb-Ag Project.

**Figure 2.** Photo of operations in Canada to produce HMC for delivery to RTIT.

**Figure 3. Photo of operations in Canada to produce HMC for delivery to RTIT.**

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